

FY 2003-04

GENERAL GOVERNMENT

Executive Recommendation

Attorney General
Civil Rights
Civil Service
Executive
Information Technology
Legislature
Management and Budget
State
Treasury-Operations
Treasury-Revenue Sharing/Debt Service

Summary: Executive Budget Recommendation
ATTORNEY GENERAL
FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD (as of 3/6/03)	FY 2003-04 Executive	Difference: Exec to FY 2002-03 YTD	
			Amount	%
IDG/IDT	\$9,917,900	\$11,119,200	\$1,201,300	12.1
Federal	7,672,700	7,564,400	(108,300)	(1.4)
Local	0	0	0	0.0
Private	1,183,000	0	(1,183,000)	(100.0)
Restricted	9,216,400	9,945,100	728,700	7.9
GF/GP	32,363,383	31,009,900	(1,353,483)	(4.2)
Gross	\$60,353,383	\$59,638,600	(\$714,783)	(1.2)
FTEs	592.5	588.5	(4.0)	(0.7)

Overview

The Attorney General's powers are prescribed in the State Constitution, in statute, and in court decisions. Serving as legal counsel for state departments, agencies, boards, commissions, and their officers, the Attorney General defends the state in court and brings actions and intervenes in cases on the state's behalf. In addition to defending state agencies, the Attorney General represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys.

The Department of Attorney General is organized into five bureaus: Child and Family Services, Criminal Justice, Economic Development and Oversight, Consumer Protection, and Governmental Affairs. In general, each bureau represents certain state agencies, boards, and commissions, and practices in specialized legal areas. Also, the Department includes the Prosecuting Attorneys Coordinating Council, an autonomous entity which provides services to Michigan's prosecutors, their assistants, and other office staff.

Unlike other state agencies, the Department of Attorney General does not operate or initiate programs, and thus the basic mission and goals of the Department do not change from one year to the next. The mission is to protect the common legal rights of citizens, defend the Constitution and the laws of the state, and represent the legal interests of government. The Department's goals are to make the state a safe place for its citizens, offer justice to the victims of crime, defend common natural resources and monetary assets of the state, and deliver excellent legal services at a minimum cost to taxpayers.

Summary of Major Budget Issues

Prisoner Reimbursement Revenue

Includes an additional \$800,000 in state restricted prisoner reimbursement revenue to be used to partially offset GF/GP reductions and to defend the state in prisoner litigation cases. Receipt of this funding will require an amendment to the State Correctional Facility Reimbursement Act.

Early Retirement Savings

GENERAL GOVERNMENT - ATTORNEY GENERAL

Reflects a savings of \$450,900 GF/GP due to early retirement of state employees.

Eliminate MUSTFA Funding

Eliminates 2.0 FTE positions and \$161,300 in State Restricted Michigan Underground Storage Tank Financial Assurance funding due to the scheduled 2003 sunset of the statutory fee which supports this revenue source.

Major Budget Changes from FY 2002-03 YTD Appropriations:		YTD FY 2002-03	Executive Change
PROGRAM REVISIONS			
1. Prisoner Reimbursement Revenue	Gross	\$301,700	\$0
Executive recommendation includes an additional \$800,000 in state restricted prisoner reimbursement revenue and reduces GF/GP by a like amount. This authorizes the Department to collect additional revenue and to recoup up to \$800,000 of the GF/GP reduction. Increased collections would be used to offset costs incurred under the State Correctional Facilities Reimbursement Act (SCFRA) and for legal services provided to the Department of Corrections. Since this involves an appropriation that is otherwise required to be deposited into the general fund pursuant to the SCFRA, it will require an amendment to the Act. (1935 PA 253)	Restricted	301,700	800,000
	GF/GP	\$0	(\$800,000)
2. Accident Fund Company Revenue	Gross	\$1,183,000	\$0
Executive recommendation replaces Private accident fund company revenue with an IDG from DMB, risk management revolving fund revenue. The Accident Fund no longer serves as the third party administrator for workers' compensation insurance to the state. However, the Attorney General continues to provide representation to the state on workers' compensation claims related to state employees.	IDG	0	1,183,000
	Private	1,183,000	(1,183,000)
3. Eliminate MUSTFA Funding	FTE	2.0	(2.0)
Executive recommendation eliminates 2.0 FTE positions and \$161,300 in State Restricted Michigan Underground Storage Tank Financial Assurance funding due the scheduled 2003 sunset of the statutory fee which supports this revenue source. The 7/8 cent fee on motor fuels will no longer be collected, as bonding requirements will be met in FY 2002-03.	Gross	\$161,300	(\$161,300)
	Restricted	161,300	(161,300)
4. Reduced Funding for Information Technology	Gross	\$769,500	(\$87,300)
Executive recommendation reduces funding for information and technology-related services and projects. Specifically, reductions will be taken in the areas of equipment and infrastructure.	GF/GP	\$769,500	(\$87,300)
TRANSFERS AND OTHER ADJUSTMENTS			
5. Transfer to Department of Information Technology	FTE	2.0	(2.0)
Executive recommendation transfers 2.0 FTE positions to the Department of Information Technology budget, and transfers the associated funding, \$145,100, from the Attorney General Operations line item to the Information Technology Services and Projects line item within the Department of Attorney General budget.	Gross	\$0	\$0
6. Early Retirement Savings	Gross	\$0	(\$450,900)
Executive recommendation reflects a savings of \$450,900 due to the early retirement of state employees.	GF/GP	\$0	(\$450,900)
7. Economic Adjustments	Gross	\$0	(\$15,300)
Executive recommendation reflects a savings of \$15,300 due to economic adjustments made for rent, building occupancy charges, and workers' compensation.	GF/GP	\$0	(\$15,300)

Major Boilerplate Changes from FY 2002-03:

Sec. 305. Proceeds from Lawsuits Against Manufacturers of Tobacco Products - DELETED

Subjects proceeds from lawsuits or settlement agreements initiated by the state against manufacturers of tobacco products to the appropriations process. The Executive deletes this section.

Sec. 308. Attorney General Salary - DELETED

Requires the Attorney General's annual salary to be \$135,500 unless an amendment to the state Constitution gives the State Officers Compensation Commission the authority to determine the salary. The Executive deletes this section.

Sec. 308. Prisoner Reimbursement Revenue - NEW

Authorizes the Department to spend up to \$301,700 of prisoner reimbursement revenue on activities related to the State Correctional Facilities Reimbursement Act; authorizes the Department to spend up to \$800,000 of excess collections, if the Department collects in excess of \$1,131,000, on defense of litigation against the state, its departments, or employees in civil actions filed by prisoners. The Executive includes the new language.

Sec. 309. Administrative Efficiencies - NEW

Appropriates an amount not to exceed one-half of the unexpended, unreserved general fund portions of FY 2002-03 appropriations for salaries and wages expenses, contractual services, supplies, and materials expenses, information technology expenses, and program operations costs, in an effort to encourage administrative efficiencies; subjects the appropriation to approval by the State Budget Director; requires the appropriation to be spent for the same purposes for which the original appropriation was made in FY 2002-03. The Executive includes the new language.

Summary: Executive Budget Recommendation
CIVIL RIGHTS
FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD (as of 3/6/03)	FY 2003-04 Executive	Difference: Exec to FY 2002-03 YTD	
			Amount	%
IDG/IDT	\$0	\$0	0	0.0
Federal	934,000	934,000	0	0.0
Local	0	0	0	0.0
Private	0	0	0	0.0
Restricted	0	0	0	0.0
GF/GP	12,689,900	12,183,200	(506,700)	(4.0)
Gross	\$13,623,900	\$13,117,200	(\$506,700)	(3.7)
FTEs	163.5	163.5	0.0	0.0

Overview

The Michigan Civil Rights Commission was established in 1963 pursuant to Article I, Section 2 of the State Constitution to carry out guarantees against discrimination. In Article V, Section 29, the Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin and is directed to "secure the equal protection of such civil rights without such discrimination." Public Acts 453 and 220 of 1976, the Elliot-Larsen Civil Rights Act and the Handicappers' Civil Rights Act respectively, and subsequent amendments have added sex, age, marital status, height, weight, arrest record, and physical and mental disabilities to the original four protected categories.

The Michigan Department of Civil Rights was established in 1965 to serve as the administrative arm charged with implementing the policies of the Commission. The Department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws; investigates and resolves discrimination complaints in the areas of employment, public accommodations and service, education, housing, and law enforcement; and disseminates information that explains the rights and responsibilities of Michigan citizens as provided by law. Also, the Department provides information and services to businesses on diversity initiatives, equal employment laws, contract compliance, coordination of certification programs for enterprises owned by persons with disabilities, and joint venture/strategic alliance matchmaking. A discrimination complaint may be filed at any of the Department's offices if the alleged discrimination has occurred within the past 180 days.

Summary of Major Budget Issues

Early Retirement Savings

Reflects a savings of \$401,300 GF/GP due to the early retirement of state employees.

Major Budget Changes from FY 2002-03 YTD Appropriations:

TRANSFERS AND OTHER ADJUSTMENTS

1. *Reduced Funding for Information and Technology*

Executive recommendation reduces funding for information and technology-related services and projects. This reduction will affect the intended scope of the Document Imaging Initiative, but it is unclear at this time to what extent. The Department had intended to begin a project that would convert written correspondence, contract compliance, and other contracts to electronic storage from the current paper storage filing system.

	YTD	Executive
	FY 2002-03	Change
Gross	\$894,529	(\$90,500)
GF/GP	\$894,529	(\$90,500)

2. *Early Retirement Savings*

Executive recommendation reflects a savings of \$401,300 due to the early retirement of state employees.

Gross	\$0	(\$401,300)
GF/GP	\$0	(\$401,300)

3. *Economic Adjustments*

Executive recommendation reflects a savings of \$14,900 due to economic adjustments made for rent, building occupancy charges, and workers' compensation.

Gross	\$0	(\$14,900)
GF/GP	\$0	(\$14,900)

Major Boilerplate Changes from FY 2002-03:

Sec. 401(2). Funding from Local and Private Sources - MODIFIED

Authorizes the Department to receive and expend funding from local or private sources for training and information dissemination purposes, participating in mediation processes, and for workshops, seminars, and recognition or award programs; requires a report on the amount of funding received and expended. The Executive deletes the reporting requirement.

Sec. 404. Administrative Efficiencies - NEW

Appropriates an amount not to exceed one-half of the unexpended, unreserved general fund portions of FY 2003 appropriations for salaries and wages expenses, contractual services, supplies, and materials expenses, information technology expenses, and program operations costs, in an effort to encourage administrative efficiencies; subjects the appropriation to approval by the State Budget Director; requires the appropriation to be spent for the same purposes for which the original appropriation was made in FY 2003. The Executive includes the new language.

Summary: Executive Budget Recommendation
CIVIL SERVICE
FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD (as of 3/6/03)	FY 2003-04 Executive	Difference: Exec to FY 2002-03 YTD	
			Amount	%
IDG/IDT	\$5,300,000	\$4,300,000	(\$1,000,000)	(18.9)
Federal	4,779,100	4,779,100	0	0.0
Local	1,700,000	1,700,000	0	0.0
Private	150,000	150,000	0	0.0
Restricted	9,639,200	14,872,200	5,233,000	54.3
GF/GP	9,285,700	8,052,600	(1,233,100)	(13.3)
Gross	\$30,854,000	\$33,853,900	\$2,999,900	9.7
FTEs	201.5	201.5	0.0	0.0

Overview

The Department of Civil Service is responsible for implementing policies established by the Civil Service Commission. The Department administers a statewide merit system that provides classified job opportunities within state government. This system includes classifying positions, administering competitive examinations for all classified positions, setting pay scales, developing rules governing personnel transactions and conditions of employment, and administering employee benefits, the quality recognition system, and the Civil Service Commission's Employment Relations Policy. In addition, the Department maintains ongoing statewide recruitment.

Summary of Major Budget Issues

Employee Benefits Program Transfer

Executive Recommendation includes a \$5.4 million transfer from the Department of Management and Budget (DMB) for the employee benefits program. Executive Order 2002-13 mandated this programmatic transfer.

Elimination of the State Employee Quality Recognition System

The Governor recommends elimination of the State Employee Quality Recognition System, which was included in the above transfer from DMB, saving \$191,800 of GF/GP.

Employee Training Reduction

Recommendation includes a \$1.0 million reduction of IDG revenue for training and development programs. The Department of Civil Service estimates a drop in the use of basic training programs as well as a decline in use of the leadership development and executive training curriculums which had been planned for the current fiscal year.

Major Budget Changes from FY 2002-03 YTD Appropriations:**1. Employee Benefits Program Transfer**

Executive includes a \$5.4 million transfer from the Department of Management and Budget of the employee benefits program. Executive Order 2002-13 mandated this programmatic transfer.

	YTD FY 2002-03	Executive Change
Gross	\$0	\$5,425,900
Restricted	0	5,234,100
GF/GP	\$0	\$191,800

2. State Employee Quality Recognition System

The Governor recommends elimination of the State Employee Quality Recognition System saving \$191,800 of GF/GP.

Gross	\$0	(\$191,800)
GF/GP	\$0	(\$191,800)

3. Employee Training Reduction

Recommendation includes a \$1.0 million reduction of IDG revenue for training and development programs. The Department of Civil Service estimates a drop in the use of basic training programs as well as a decline in use of the leadership development and executive training curriculums which had been planned for the current fiscal year.

Gross	\$4,000,000	(\$1,000,000)
IDG	4,000,000	(1,000,000)

4. Administrative Savings Reduction

Executive includes an 11% reduction of GF/GP from YTD FY 2002-03. This reduction will be accomplished through not filling current vacancies and decreased contractual services, supplies and materials expenses.

Gross	\$9,285,700	(\$1,018,200)
GF/GP	\$9,285,700	(\$1,018,200)

Major Boilerplate Changes from FY 2002-03:**Sec. 504. Flexible Spending Accounts - NEW**

Describes fund sourcing for the flexible spending account program; specifies how unspent employee contributions are to be used. This language was transferred from the DMB boilerplate pursuant to Executive Order 2002-13 which transferred the state employee benefits program.

Sec. 505. Appropriation of Unexpended General Funds - NEW

In order to encourage administrative efficiencies, appropriates up to one-half of the un-expended, unreserved portions of the FY 2002-03 general fund appropriations, subject to the approval of the budget director.

Summary: Executive Budget Recommendation

EXECUTIVE

FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD (as of 3/6/03)	FY 2003-04 Executive	Difference: Exec to FY 2002-03 YTD	
			Amount	%
IDG/IDT	\$0	\$0	\$0	0.0
Federal	0	0	0	0.0
Local	0	0	0	0.0
Private	0	0	0	0.0
Restricted	0	0	0	0.0
GF/GP	5,021,500	4,859,500	(162,000)	(3.2)
Gross	\$5,021,500	\$4,859,500	(\$162,000)	(3.2)
FTEs	84.2	84.2	0.0	0.0

Overview

The budget for the Executive Office provides funding for the Governor, the Lieutenant Governor, and their staffs. The Governor is elected by the people to a four-year term, is the Chief Executive Officer of the state, the Commander-In-Chief of the state's military establishment, and the Chairperson of the State Administrative Board. Major constitutionally specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget. The Lieutenant Governor is nominated at party convention, is elected with the Governor to a four-year term, performs gubernatorial functions in the Governor's absence, and serves as President of the Michigan Senate.

Divisions within the Governor's Office include: Legal, Operations, Community-Based Initiatives, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, Special Projects, and the Governor's Washington D.C. Office, Southeastern Michigan Office, and Upper Peninsula Office.

Summary of Major Budget Issues

Operational Reductions

Reflects a savings of \$136,900 GF/GP to be achieved through implementation of administrative efficiencies.

Early Retirement Savings

Reflects a savings of \$25,000 GF/GP due to the early retirement of state employees.

Major Budget Changes from FY 2002-03 YTD Appropriations:

	YTD FY 2002-03	Executive Change
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TRANSFERS AND OTHER ADJUSTMENTS**1. Operational Reductions**

Executive reflects a savings of \$136,900 to be achieved through implementation of administrative efficiencies. More specifically, one copy machine will be eliminated, and costs for travel, cell phones, subscriptions, copying, and supplies will be reduced significantly.

Gross	\$3,870,700	(\$136,900)
GF/GP	\$3,870,700	(\$136,900)

2. Early Retirement Savings

Executive reflects a savings of \$25,000 due to the early retirement of state employees.

Gross	\$0	(\$25,000)
GF/GP	\$0	(\$25,000)

Major Boilerplate Changes from FY 2002-03:**Sec. 550. Office of Regulatory Reform - TRANSFERRED**

Authorizes collection of funding to cover costs associated with publication and distribution of the Michigan Register and the Michigan Administrative Code; appropriates funding and specifies that the funding will not lapse to the general fund at the end of the fiscal year. The Executive transfers the language to the DMB boilerplate section of the bill due to the transfer of the Office of Regulatory Reform from the Executive Office to DMB, pursuant to Executive Order 2002-11.

Summary: Executive Budget Recommendation

INFORMATION TECHNOLOGY

FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD	FY 2003-04	Difference: Exec to FY 2002-03 YTD	
	(as of 3/6/03)	Executive	Amount	%
IDG/IDT	\$424,006,800	\$355,689,300	(\$68,317,500)	(16.1)
Federal	0	0	0	0.0
Local	0	0	0	0.0
Private	0	0	0	0.0
Restricted	0	0	0	0.0
GF/GP	0	0	0	0.0
Gross	\$424,006,800	\$355,689,300	(\$68,317,500)	(16.1)
FTEs	1,771.4	1,769.4	(2.0)	0.1

Overview

The Department of Information Technology was created pursuant to Executive Order 2001-3 for the purposes of improving the delivery of services to citizens by utilizing advancements in technology, improving the management of state information and technology resources, and assuring the reliability, security, and confidentiality of state data and computer facilities. The Department acts as a general contractor between the state's information technology users and private sector providers of information technology products and services.

"Information Technology Services" is defined to mean services involving all aspects of managing and processing information including, but not limited to, all of the following: application development and maintenance; desktop computer support and management; mainframe computer support and management; server support and management; local area network support and management; information technology contract, project, and procurement management; information technology planning and budget management; and telecommunication services, security, infrastructure, and support.

The Department utilizes existing technology funding and state employees from within the other 19 executive branch departments and agencies to support the long-term technology needs of the state, and to find solutions and identify more effective ways to achieve missions. Each state department and agency requests spending authority to fund information technology-related activities and pays for technology services rendered by the Department of Information Technology through an interdepartmental grant. The administration of fund sources remains with each agency. Funding is organized into the following broad theme areas which are based on agency missions: Enterprisewide Services, Health and Human Services, Education Services, Public Protection, Resources Services, Transportation Services, and General Services.

Summary of Major Budget Issues

Reduced Funding for CSES

Reflects a savings of \$20.6 million due to reduced funding for the Child Support Enforcement System; funding will cover costs associated with maintenance of the system.

Executive Order Reductions

Reflects a savings of \$19.4 million due to Executive Orders 2002-22 and 2003-03 which had not been realized in the DIT budget, but in the various state department and agency budgets only.

Operational Reductions

Reflects a savings of \$10.4 million to be achieved through administrative efficiencies.

Major Budget Changes from FY 2002-03 YTD Appropriations:		YTD FY 2002-03	Executive Change
PROGRAM REVISIONS AND OTHER ADJUSTMENTS		Gross	
1. Executive Order Reductions		IDG	
Executive recommendation reflects a savings of \$19.4 million due to implementation of Executive Orders 2002-22 and 2003-03. These savings were reflected in the various state department budgets for FY 2002-03, but were not reflected in the Department of Information Technology budget.		\$424,006,800	(\$19,401,100)
		424,006,800	(19,401,100)
2. Reduced Funding for CSES		Gross	
Executive recommendation reflects a savings of \$20.6 million due to reduced funding for the Child Support Enforcement System. Available funding will cover costs associated with maintenance of the system.		IDG	
		N/A	(\$20,571,000)
		N/A	(20,571,000)
3. Funding Adjustments		Gross	
Executive recommendation reflects a savings of \$19.0 million due to numerous funding adjustments made in 17 state department budgets. In general, funding adjustments are made for the following reasons: fund source shifts, early retirement savings, revenue not able to be earned, transfers of staff, fee adjustments, rent adjustments, reorganizations, and removal of one-time funding appropriations. Totals by department are as follows:		IDG	
		N/A	(\$18,975,900)
		N/A	(18,975,900)
Agriculture			\$33,200
Attorney General			\$142,400
Civil Service			(\$332,800)
Community Health			(\$1,553,800)
Consumer and Industry Services			(\$45,000)
Corrections			(\$418,900)
Education			\$299,600
Environmental Quality			(\$39,100)
Family Independence Agency			(\$9,115,100)
History, Arts, and Libraries			\$40,000
Management and Budget			(\$38,100)
Military and Veterans Affairs			\$82,700
Natural Resources			(\$5,564,500)
State			(\$941,100)
State Police			\$434,000
Transportation			(\$260,600)
Treasury			(\$1,698,800)

Major Budget Changes from FY 2002-03 YTD Appropriations:**4. Operational Reductions**

The Executive recommendation reflects a savings of \$10.4 million to be achieved through implementation of administrative efficiencies. Each department's budget reflects reduced funding for information and technology-related services and projects, totaling \$10.4 million. It is anticipated that these savings will occur as a result of the following: canceling or delaying projects; changing the scope of projects; eliminating contractual employees and consultants; other changes in staffing; reductions in rates, infrastructure, and hardware and software maintenance; reductions in equipment, training, travel, and contractual services, supplies, and materials expenses; and shifting of fund sources.

	YTD FY 2002-03	Executive Change
Gross	N/A	(\$10,443,400)
IDG	N/A	(10,443,400)

Major Boilerplate Changes from FY 2002-03:**Sec. 572. e-Michigan Office - MODIFIED / DELETED**

Authorizes the e-Michigan office to sell and accept paid advertising; requires review and approval of each advertisement; authorizes the office to refuse advertising or to require modifications based on criteria determined by the office; requires revenue received to be used for operating costs and for future technology enhancements; limits the amount of revenue that can be received from the sale of paid advertising to \$250,000.

- Authorizes the receipt of gifts, donations, contributions, bequests, and grants of money from any public or private sources.
- Authorizes the e-Michigan office to supply services and to receive and expend funding in addition to that which is appropriated for providing such services.
- Appropriates and allots funding received.
- Designates funding for e-Michigan as a work project account.
- Requires the e-Michigan office to develop a search function of all state departments and agencies which is easily accessible to visitors.
- Requires a privacy policy be adopted by the e-Michigan office which includes instructions on how visitors can set their browsers to be warned before each cookie is written to a visitor's computer, and instructions for visitors on how to view and remove cookies on their computers.
- Requires a report on all of the following: the amount of gifts, donations, contributions, bequests, and grants of money received; expenditures made from amounts received; a listing of gifts, donations, contributions, etc. other than funding received; total revenue received from the sale of paid advertising; and total number of advertising transactions.

The Executive changed all references to "e-Michigan office", in subsections 1, 2, 4, and 5, to read "department of information technology" or "department". Also, the Executive deleted subsections 3, 6, 7, and 8.

Sec. 575. Transfer of DIT Employees - DELETED

Expresses that it is the intent of the Legislature that the Department will transfer their employees from the other state departments and agencies within a reasonable time frame. The Executive deletes this section.

Sec. 577. Michigan Public Safety Communications System - NEW

Requires appropriation for the Michigan Public Safety Communications System to be expended upon approval by the State Budget Director of an expenditure plan; requires the Department to assess reasonable access and maintenance fees to all subscribers of the system. The Executive includes the new language.

Summary: Executive Budget Recommendation

LEGISLATURE

FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD (as of 3/6/03)	FY 2003-04 Executive	Difference: Exec to FY 2002-03 YTD	
			Amount	%
IDG/IDT	\$1,627,600	\$1,662,900	\$35,300	2.2
Federal	0	0	0	0.0
Local	0	0	0	0.0
Private	400,000	400,000	0	0.0
Restricted	2,530,400	2,495,100	(35,300)	(1.4)
GF/GP	120,726,700	118,883,500	(1,843,200)	(1.5)
Gross	\$125,284,700	\$123,441,500	(\$1,843,200)	(1.5)
FTEs	0.0	0.0	0.0	0.0

Overview

The budget for the Legislature provides funding for the Legislative branch of state government, to include the Legislative Council and agencies it governs, the Office of the Auditor General, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, appropriates funding from revenues collected for the support of public institutions and the administration of the affairs of state government, initiates and considers amendments to the State and U.S. Constitutions, and exercises legislative oversight over the Executive branch of government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature and is responsible for maintaining bill drafting, research, and other services. Carpenters, painters, maintenance mechanics, and electricians provide maintenance, operation, and repair of the Capitol Building, House of Representatives Office Building, and Farnum Building.

The Office of the Auditor General is responsible for conducting financial and performance audits of state government operations. The resulting audit reports provide a continuing flow of information to assist the Legislature in its oversight of state government, provide citizens with a measure of accountability, and assist state departments and agencies in improving financial management.

The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. The system is funded through state appropriations, member contributions, certain court filing fees, and investment income.

Summary of Major Budget Issues

NO CHANGES from current year-to-date appropriations. (Note: The FY 2003-04 Executive recommendation assumes the \$1.8 million reduction referred to in Executive Order 2003-03. The \$1.8 million reduction has yet to occur, but is anticipated via the proposed negative supplemental bill.)

Major Budget Changes from FY 2002-03 YTD Appropriations:

No Change from Year-to-Date Appropriations

Executive recommendation assumes that the \$1.8 million reduction which was referred to in Executive Order 2003-03 has already occurred. However, the \$1.8 million reduction has not yet occurred, but is anticipated to occur via the proposed negative supplemental bill.

	YTD FY 2002-03	Executive Change
Gross	\$125,284,700	(\$1,843,200)
IDG	1,627,600	35,300
Private	400,000	0
Restricted	2,530,400	(35,300)
GF/GP	\$120,726,700	(\$1,843,200)

Major Boilerplate Changes from FY 2002-03:

Sec. 604. National Association Dues - MODIFIED

Specifies distribution of funding appropriated for payment of National Association Dues. Executive modified the payment amounts to reflect actual appropriations.

Summary: Executive Budget Recommendation

MANAGEMENT AND BUDGET

FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD	FY 2003-04	Difference: Exec to FY 2002-03 YTD	
	(as of 3/6/03)	Executive	Amount	%
IDG/IDT	\$109,548,100	\$103,716,800	(\$5,831,300)	(5.3)
Federal	358,600	440,800	82,200	22.9
Local	0	0	0	0.0
Private	0	0	0	0.0
Restricted	36,073,900	31,201,300	(4,872,600)	(13.5)
GF/GP	39,247,311	36,328,900	(2,918,411)	(7.4)
Gross	\$185,227,911	\$171,687,800	(\$12,340,111)	(6.7)
FTEs	854.5	819.0	(35.5)	(4.2)

Overview

The Department of Management and Budget (DMB) has legal authority under the Management and Budget Act, 1984 PA 431, and is the central management element of the Executive branch of state government. The Department is an interdepartmental service and management agency responsible for all of the following: ensuring proper financial record keeping for state agencies, managing capital outlay projects, managing property for the state (i.e., managing state leases, selling surplus property), executing cost-effective purchasing programs, managing the state's retirement systems, supervising the state motor vehicle fleet, administering travel policies, and providing office support services to state agencies. In addition, the Office of the State Budget prepares, presents, and executes the state budget on behalf of the Governor.

The Department has several autonomous units, including the following: Office of the State Employer, which is primarily responsible for central labor relations as the employer of the state classified work force; Office of the Children's Ombudsman, which investigates the actions, decisions, policies, and protocols of the Family Independence Agency and child placing agencies as they relate to children in Michigan's child welfare system; and Office of Regulatory Reform, which is responsible for reviewing proposed rules, coordinating the processing of rules by state agencies, and working with agencies to streamline the rule-making process and to improve public access.

Summary of Major Budget Issues

Transfer of Programs

Reduces FTE positions by 39.5 and reflects a savings of \$6.8 million Gross due to transfer of the Employee Benefits program from DMB to the Department of Civil Service (31.0 FTE positions and \$5.4 million), and transfer of the forms and records management program and demographics from DMB to the Department of History, Arts, and Libraries (8.5 FTE positions and \$1.4 million).

Building Occupancy Adjustments

Reflects a savings of \$6.0 million in IDG from Building Occupancy and Parking Charges to be achieved through administrative efficiencies (i.e. reduced security, janitorial services, and parking leases at Cadillac Place in Detroit and Constitution Hall in Lansing).

Reduced Funding for IT Services

Reduces funding for MAIN contracts and other information and technology-related services and projects by \$646,200 GF/GP.

Major Budget Changes from FY 2002-03 YTD Appropriations:		YTD FY 2002-03	Executive Change
PROGRAM REVISIONS			
1. Building Occupancy Adjustments	Gross	\$0	(\$5,949,000)
Executive recommendation reflects a savings of \$6.0 million to be achieved through implementation of administrative efficiencies. More specifically, adjustments will be made for private rent and lease costs; operating costs for leased buildings will be reduced; costs for security, janitorial services, and other service contracts will be reduced; reductions in shuttle bus services will reduce overall state costs; and more efficient use of state parking will save money.	IDG	0	(5,949,000)
2. Retirement System - Vision ORS	Gross	\$0	\$1,290,000
Executive recommendation includes funding for implementation of Vision ORS. When Vision ORS is complete, members of the State Employees, Public School Employees, Judges, and State Police retirement systems will be able to access their retirement information via telephone, Internet, fax, interactive voice response, or in person. As the new system becomes functional in FY 2003-04, ongoing operational costs will change from those experienced under the old automated systems. The Executive recommendation includes \$450,000 for equipment hosting and licensing charges, and \$840,000 for additional costs associated with application support.	Restricted	0	1,290,000
3. Severance Pay Funds	Gross	\$600,000	(\$600,000)
Executive recommendation reduces severance pay funds for AFSCME by \$500,000 and for UAW by \$100,000 in accordance with collective bargaining agreements. The amounts appropriated for severance pay funds are required to be available as of the first date covered by the collective bargaining agreement and for three years following that. The appropriations in FY 2002-03 for these two bargaining units satisfied the requirements for the next three years, thus the appropriations are no longer necessary.	IDG	600,000	(600,000)
4. Operational Reductions	Gross	\$0	(\$130,000)
Executive recommendation reflects a savings of \$130,000 to be achieved through implementation of administrative efficiencies. Contractual services, temporary staff, and other support costs will be reduced by \$110,000. Also budgeted is a reduction of \$20,000 in major projects funding which will eliminate resources for strategic initiatives within the Department.	GF/GP	\$0	(\$130,000)
TRANSFERS AND OTHER ADJUSTMENTS		FTE	31.0
5. Transfer of Employee Benefits to Civil Service	Gross	\$5,425,900	(\$5,425,900)
Executive Order 2002-13 transferred the Employee Benefits and Quality Recognition programs from DMB to the Department of Civil Service. Also transferred were accounting staff that supported the programs. The Executive recommendation reflects this transfer by reducing FTE position authorization and the associated funding levels.	Restricted	5,234,100	(5,234,100)
	GF/GP	\$191,800	(\$191,800)

Major Budget Changes from FY 2002-03 YTD Appropriations:

		YTD FY 2002-03	Executive Change
6. Transfer of Demographics and Records Management Center to History, Arts, and Libraries	FTE	8.5	(8.5)
Executive Order 2002-17 transferred the demographics program, the state data center program, and the records management and records center programs from DMB to the Department of History, Arts, and Libraries. The Executive recommendation reflects this transfer by reducing FTE position authorization and the associated funding levels.	Gross	\$1,402,000	(\$1,402,000)
	IDG	137,500	(137,500)
	Restricted	102,900	(102,900)
	GF/GP	\$1,161,600	(\$1,161,600)
7. Transfer CEPI from the Department of Education	Gross	\$0	\$685,100
Executive recommendation reflects the transfer of funding for the Center for Educational Performance and Information from the Department of Education to DMB. The Center was created pursuant to Executive Order 2000-9 and was charged with improving the quality and availability of educational data for use by educators, administrators, taxpayers, and state and local policymakers. The Center collects data and other mandated information for the Departments of Education, Treasury, Career Development, and Consumer and Industry Services, and is housed in the Office of the State Budget.	Federal	0	13,500
	GF/GP	\$0	\$671,600
8. Transfer of Mail and Delivery Services from FIA	FTE	0.0	4.0
Executive recommendation reflects the transfer of mail distribution services and the associated FTE positions and funding from the Family Independence Agency to DMB. Previously, FIA staff performed these services for the Wayne County FIA offices. In order to accommodate early retirements of FIA staff, DMB has agreed to take over the responsibility since DMB currently provides these same services to the vast majority of state departments and agencies.	Gross	\$0	\$311,800
	GF/GP	\$0	\$311,800
9. Reduced Funding for Information Technology	Gross	\$24,886,100	(\$646,200)
Executive recommendation reduces funding for information and technology-related services and projects by \$646,200. These savings will be realized through decreased use of contractors for maintenance of the Michigan Administrative Information Network, renegotiation of contract costs, data center rate decreases, and other support cost reductions.	IDG	915,500	0
	Federal	58,600	0
	Restricted	7,499,800	0
	GF/GP	\$16,412,200	(\$646,200)

Major Boilerplate Changes from FY 2002-03:

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 704. Supply of Census Information and Technical Services - TRANSFERRED

Authorizes the Department to supply census information and technical services to other state departments and agencies, local units of government and other organizations; authorizes the Department to receive and expend funding for providing such services. The Executive transfers the language to the Department of History, Arts, and Libraries bill due to the transfer of the demographics program from DMB to History, Arts, and Libraries, pursuant to Executive Order 2002-17.

Sec. 707. Per Diems for Retirement Boards - DELETED

Authorizes per diem amounts for the Judges, Public School Employees, State Police, and State Employees retirement boards. The Executive deletes this section.

Sec. 712. Health Insurance Reserve Fund - DELETED

Specifies the amount of funding to be appropriated into the Health Insurance Reserve Fund pursuant to Section 52 of the State Employees' Retirement Act, 1943 PA 240. The Executive deletes this section.

Sec. 713. Revisions to Computer Contracts - DELETED

Requires the Department to report on any revisions to current computer contracts exceeding \$500,000 at least 14 days prior to finalization of the revisions. The Executive deletes this section.

Sec. 713. Office of Regulatory Reform - TRANSFERRED (NEW to DMB)

Authorizes the collection of funding to cover costs associated with publication and distribution of the Michigan Register and the Michigan Administrative Code; appropriates the funding and specifies that the funding will not lapse to the general fund at the end of the fiscal year. The Executive transfers the language from the Executive Office boilerplate section of the bill due to the transfer of the Office of Regulatory Reform from the Executive Office to DMB pursuant to Executive Order 2002-11.

Sec. 714. Administrative Efficiencies - NEW

Appropriates an amount not to exceed one-half of the unexpended, unreserved general fund portions of FY 2002-03 appropriations for salaries and wages expenses, contractual services, supplies, and materials expenses, information technology expenses, and program operations costs, in an effort to encourage administrative efficiencies; subjects the appropriation to approval by the State Budget Director; requires the appropriation to be spent for the same purpose for which the original appropriation was made in FY 2002-03. The Executive includes the new language.

Sec. 718. Reference to Townships on Forms - DELETED

Prohibits the Department from printing, or authorizing the printing of, forms that reference a city or village unless the form also references a township in the same size print and in the same font. The Executive deletes this section.

Sec. 719. Gubernatorial Transition Process - DELETED

Transfers up to \$1,200,000 from the general fund for costs associated with the gubernatorial transition process. The Executive deletes this section.

GENERAL SECTIONS OF BOILERPLATE

Sec. 207. Privatization - DELETED

Requires departments to submit a complete project plan 60 days prior to beginning any effort to privatize; requires an evaluation of the privatization initiative within 30 months. The Executive deletes this section.

Sec. 209. Buy American - DELETED

Prohibits the purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available. The Executive deletes this section.

Sec. 210. Businesses in Deprived and Depressed Communities - DELETED

Requires the directors of departments to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. The Executive deletes this section.

Sec. 210. Designate Information Technology Appropriations as Work Projects - NEW

Designates appropriations for information technology as work projects and authorizes them to be carried forward to support technology projects under the direction of the Department of Information Technology. The Executive includes the new language.

Sec. 212. Receipt and Retention of Reports - DELETED

Authorizes departments to receive, and requires them to retain, copies of all reports required in the bill; requires departments to follow federal and state guidelines for short-term and long-term retention of records. The Executive deletes this section.

Sec. 215. Disciplinary Action Against Executive Branch Employees - DELETED

Prohibits state departments and agencies from taking disciplinary action against employees for communicating with members of the Legislature or their staff. The Executive deletes this section.

Sec. 216. Negative Appropriation for Early Retirement and Budgetary Savings - DELETED

Requires negative appropriations for early retirement savings to be satisfied by savings realized from not filling all of the positions lost due to the early retirement of state employees; requires negative appropriations for budgetary savings to be satisfied by savings from the hiring freeze, efficiencies, and other savings identified by department directors and approved by the State Budget Director; requires approval of transfers by the Legislature in order to apply the early retirement and budgetary savings to appropriated line items. The Executive deletes this section.

Summary: Executive Budget Recommendation

STATE

FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD (as of 3/6/03)	FY 2003-04 Executive	Difference: Exec to FY 2002-03 YTD	
			Amount	%
IDG/IDT	\$96,493,000	\$94,752,300	(\$1,740,700)	(1.8)
Federal	1,319,500	1,319,500	0	0.0
Local	0	0	0	0.0
Private	100	100	0	0.0
Restricted	65,274,200	66,447,400	1,173,200	1.8
GF/GP	15,876,161	12,981,700	(2,894,461)	(18.2)
Gross	\$178,962,961	\$175,501,000	(\$3,461,961)	(1.9)
FTEs	1,853.8	1,853.8	0.0	0.0

Overview

The Department of State administers programs in four major areas: motor vehicle transactions, which includes titling and registration of automobiles, watercraft, and recreational vehicles; traffic safety, which includes testing drivers for ability and the suspension of license privileges when laws are broken or incompetence is judged; consumer protection, which includes inspection and licensing of automotive repair facilities; and regulation and administration of the state's electoral process, which entails training local election officials and monitoring campaign finance.

Summary of Major Budget Issues

Administrative Savings

The Governor proposes that the Department of State provide an additional \$612,600 GF/GP savings through administrative and operational improvements. These savings will come from various appropriation lines.

Commercial Look-Up Fee Revenue and Fund Shift

Executive Recommendation includes additional revenue from commercial look-up fees due to an anticipated fee increase from \$6.55 to \$7.00. This user fee is paid by insurance companies for information about a driver's record, which assists the companies in determining insurance premiums. This fee has not been increased since 1990. It is projected that the fee increase will generate \$2.1 million of commercial look-up fee revenue. A like amount of GF/GP revenue is removed from the Department of State budget.

Vertical Driver License Funding Removed

Executive Recommendation removes one-time FY 2002-03 State Service Fee funding of \$1.0 million associated with development and implementation of a vertical driver license and personal identification card for persons under the age of 21.

Major Budget Changes from FY 2002-03 YTD Appropriations:		YTD FY 2002-03	Executive Change
1. Additional Commercial Look-Up Fee Revenue and Fund Shift	Gross	N/A	\$0
Executive Recommendation includes additional revenue from commercial look-up fees due to an anticipated fee increase from \$6.55 to \$7.00. This user fee is paid by insurance companies for information about a driver's record, which assists the companies in determining insurance premiums. This fee has not been increased since 1990. It is projected that the fee increase will generate \$2.1 million of commercial look-up fee revenue. A like amount of general fund/general purpose revenue is removed from the Department of State budget.	Restricted	N/A	2,100,000
	GF/GP	N/A	(\$2,100,000)
2. Vertical Driver License Funding Removed	Gross	\$1,000,000	(\$1,000,000)
Executive Recommendation removes one-time FY 2002-03 State Service Fee funding of \$1.0 million associated with development and implementation of a vertical driver license and personal identification card for persons under the age of 21.	Restricted	1,000,000	(1,000,000)
3. Administrative Savings Reduction	Gross	\$15,876,161	(\$612,600)
Executive Recommendation includes a 3.9% reduction of GF/GP from YTD FY 2002-03. This reduction will be accomplished through not filling current vacancies and decreased contractual services, supplies, and materials expenses.	GF/GP	\$15,876,161	(\$612,600)

Major Boilerplate Changes from FY 2002-03:**Sec. 803. Commercial Look-Up Fees - MODIFIED**

Allows the Department to sell copies of records for various conveyances; allows the Department to use the revenue to finance necessary expenses; requires the balance of the fee revenue at the end of the fiscal year to revert to the general fund. The Executive increases the charge per record from \$6.55 to \$7.00.

Sec. 813. Organ Donor Program - DELETED

Directs funding for production of an organ donor informational pamphlet that will be distributed with driver licenses and personal identification cards.

Sec. 814. Qualified Voter File Reimbursements - DELETED

Requires the Department to reimburse municipalities with voting populations over 5,000 in any calendar year for qualified voter file systems, subject to the appropriation of those funds.

Sec. 814. Credit or Debit Service Card Assessment - NEW

Language proposed by the Executive provides that credit or debit service card assessments are immediately appropriated to the Department for use, how much the service assessment may be and that unused service assessment balances may be carried forward.

Sec. 815. Appropriation of Unexpended General Funds - NEW

In order to encourage administrative efficiencies, appropriates up to one-half of the unexpended, unreserved portions of FY 2002-03 GF/GP appropriations, subject to the approval of the budget director.

Sec. 816. Branch Closing/Consolidation - DELETED

Requires the Department to consult with the House and Senate Subcommittees on General Government regarding projected closings or consolidations of branch offices.

Sec. 816. Use of Unlicensed Dealer Fines - NEW

The Executive proposes including language that allows the Department of State to use unlicensed dealer fines to offset expenses of administering Chapter 11 of the Michigan Vehicle Code, 1949 PA 300. The funds would be available for expenditure after approval by the Senate and House appropriations committees.

Sec. 817. Secretary of State Salary - DELETED

Sets the annual salary of the Secretary of State at \$135,500 as of January 1, 2003, unless a constitutional amendment gives the State Officers Compensation Commission that authority.

Sec. 818. Vertical Driver License and Personal Identification Card - DELETED

Specifies that the corresponding \$1.0 million in part 1 from the State Services Fee Fund be used to develop and implement a vertical driver license and personal identification card for a person under the age of 21.

Summary: Executive Budget Recommendation

TREASURY

FY 2003-04 Senate Bill 270

Analyst: Robin Risko

FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD	FY 2003-04	Difference: Exec to FY 2002-03 YTD	
	(as of 3/6/03)	Executive	Amount	%
IDG/IDT	\$19,445,300	\$14,278,600	(\$5,166,700)	(26.6)
Federal	44,296,100	44,196,100	(100,000)	(.2)
Local	910,800	910,800	0	0.0
Private	0	0	0	0.0
Restricted	1,762,733,900	1,670,369,700	(92,365,200)	(5.2)
GF/GP	75,309,997	122,065,100	46,775,103	62.1
Gross	\$1,902,696,097	\$1,851,820,300	(\$50,875,797)	(2.7)
FTEs	1,861.5	1,876.5	15.0	0.8

Overview

The Department of Treasury is the chief fiscal agency of the state and is the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. In addition, the Department manages one of the nation's largest pension funds, and administers revenue sharing and the student financial aid program. The Department also investigates fraudulent financial activity; provides recommendations and assistance on all property tax-related issues; trains and gives advice concerning accounting, auditing, budgeting, and financial management to local units of government; advises issuers of municipal obligations; and lends funds to local units in fiscal distress through the Emergency Loan Board.

Summary of Major Budget Issues

Revenue Sharing Reduction

The Executive Recommendation includes a \$43.7 million reduction to revenue sharing payments, 3% below the FY 2002-03 spending level. The reduction is proposed to be distributed proportionally to all local units of government.

Administrative Savings

It is proposed that Treasury will provide an additional \$3.6 million GF/GP savings through administrative and operational improvements in various appropriation lines.

Qualified Agricultural Loan Payments Reduction

It is recommended that the Qualified Agricultural Loan payments be reduced by \$800,000 from current year, reflecting anticipated FY 2003-04 needs.

New Lottery Games

The Recommendation includes two new Lottery games, Lottery Keno and break-open tickets that are anticipated to generate \$50.0 million of additional revenue in FY 2003-04 for deposit into the School Aid Fund. An appropriation of \$2.7 million is proposed for administration expenses related to the operation of these two games.

Debt Service Increase and Fund Source Shift

Debt service for the Clean Michigan Initiative bond issues has increased by \$17.1 million. Also, \$36.6 million of Quality of Life bond debt service that had been replaced with restricted revenue in FY 2002-03 has been restored with a like amount of GF/GP in FY 2003-04.

Major Budget Changes from FY 2002-03 YTD Appropriations:		YTD FY 2002-03	Executive Change	
1. Revenue Sharing Reduction		Gross	\$1,470,500,000	(\$58,420,000)
The Executive Recommendation includes a \$58.4 million gross authorization reduction to Constitutional and Statutory revenue sharing. Of that amount, \$43.7 million is a real reduction to revenue sharing payments, or 3% below the FY 2002-03 spending level. The reduction is proposed to be distributed proportionally to all local units of government. The balance of \$14.7 million is excess authorization that has no projected revenue support in FY 2003-04.		Restricted	1,470,500,000	(58,420,000)
2. Administrative Reductions		Gross	N/A	(\$3,577,300)
Executive proposes that Treasury provide an additional \$3.6 million GF/GP savings through administrative and operational changes. These reductions will come from the following appropriation lines.		GF/GP	N/A	(\$3,577,300)
Travel (\$100,000)				
Supervision of the General Property Tax Law . . (\$100,000)				
Revenue (\$2,500,000)				
Administrative Services (Banking) (\$700,000)				
Information Technology Services and Projects . . (177,300)				
3. Qualified Agricultural Loan Payments		Gross	\$6,000,000	(\$800,000)
Executive recommends that Qualified Agricultural Loan payments be reduced by \$800,000 from current year, reflecting anticipated FY 2003-04 needs.		GF/GP	\$6,000,000	(\$800,000)
4. Debt Service Increase and Fund Source Shift		Gross	\$59,586,400	\$13,700,000
Executive includes an increase in debt service for the Clean Michigan Initiative bond issues by \$17.1 million. Also, \$36.6 million of Quality of Life bond debt service that had been replaced with restricted revenue in FY 2002-03 has been restored with a like amount of GF/GP in FY 2003-04. The Executive’s revision letter dated Mach 6, 2003, requested that \$878,000 of restricted Recreation Bond resources pay related bond obligations, saving an equal amount of GF/GP.		Restricted	40,000,000	(39,122,000)
		GF/GP	\$19,586,400	\$52,822,000
5. Early Retirement Adjustment		Gross	N/A	(\$693,200)
Reflects two types of adjustments related to 2002 early retirement package: (1) removal of funds for one-time leave payouts and (2) annualization of savings for October 2002 retirees.		GF/GP	N/A	(\$693,200)
Supervision of the General Property Tax Law . . (\$141,700)				
Local Finance (\$44,900)				
Revenue (\$245,200)				
Administrative Services (Banking) (\$118,400)				
Financial Services (\$78,300)				
Student Financial Assistance Programs (\$29,900)				
Information Technology Services and Projects . . (\$34,800)				

Major Budget Changes from FY 2002-03 YTD Appropriations:		YTD FY 2002-03	Executive Change
6. Administrative Services - Elimination of Warrant Processing Activities	Gross	\$3,000,000	(\$3,000,000)
Executive proposes eliminating funding authorization for the IDG, receipt, warrant and cash processing revenue source within the Administrative Services appropriation line, Banking and Management Services Unit. The Department of Management and Budget is now providing warrant processing activities so this authorization to collect revenue from other state agencies is no longer needed.	IDG	3,000,000	(3,000,000)
7. Commercial Mobile Radio Service Payments Increase	Gross	\$24,000,000	\$2,500,000
Executive proposes increasing restricted Commercial mobile radio service fees authorization due to anticipated increased revenues.	Restricted	24,000,000	2,500,000
8. New Lottery Games	FTE	164.0	19.0
Executive recommendation includes two new Lottery games that are anticipated to generate \$50.0 million of additional revenue in FY 2003-04 for deposit into the School Aid Fund. The games are Lottery Keno and break-open tickets. An appropriation of \$2.7 million and an additional 19.0 FTEs are proposed for administration and operation of these two games.	Gross	\$36,926,900	\$2,724,100
Lottery Operations \$1,340,300	Restricted	36,926,900	2,724,100
Promotion and Advertising \$1,250,000			
Information Technology Services and Projects . . . \$133,800			

Major Boilerplate Changes from FY 2002-03:

Sec. 915. State Campaign Fund - DELETED

Appropriates funds from GF/GP to the state campaign fund in an amount equal to the amounts designated for tax year 2001.

Sec. 916. Technology Investment Plan - DELETED

Authorizes the Department of Treasury to develop a technology investment plan.

Sec. 934. Defaulted Student Loan Collections - NEW

Authorizes Treasury to contract with private collection agencies and law firms to collect defaulted student loans and other accounts due the Michigan Guaranty Agency. Costs to collect may not be greater than 22% of collections and will be paid from the account to which the revenues being collected are recorded or dedicated.

Sec. 935. Appropriation of Unexpended General Funds - NEW

In order to encourage administrative efficiencies, appropriates up to one-half of the unexpended, unreserved portions of FY 2002-03 GF/GP appropriations, subject to the approval of the budget director.

Sec. 982. Prohibition of Sports Personalities in Advertising - DELETED

Prohibits the Bureau of State Lottery from associating professional or amateur athletes with the lottery.